
VILLAGE OF MYRNAM
Consolidated Financial Statements
Year Ended December 31, 2023

VILLAGE OF MYRNAM
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Village of Myrnam

Opinion

We have audited the consolidated financial statements of Village of Myrnam (the "organization"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at December 31, 2023, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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Independent Auditor's Report to the Members of Village of Myrnam (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Two Hills, AB
April 5, 2024**

Chartered Professional Accountants

VILLAGE OF MYRNAM
Consolidated Statement of Financial Position
December 31, 2023

	<i>December 31</i> 2023	<i>December 31</i> 2022
FINANCIAL ASSETS		
Cash	\$ 366,102	\$ 281,801
Accounts receivable	193,359	43,881
Receivables from other governments	59,313	7,803
Taxes and grants in place of taxes receivable	87,324	121,498
Land for resale inventory	7,023	23
	<u>713,121</u>	<u>455,006</u>
LIABILITIES		
Bank indebtedness (<i>Note 5</i>)	150,000	-
Accounts payable and accrued liabilities	48,888	66,668
Current portion of long term debt (<i>Note 7</i>)	17,947	13,720
Deferred income	107,625	243,952
Funds held in trust	2,962	9,169
Long term debt (<i>Note 7</i>)	910,476	399,962
	<u>1,237,898</u>	<u>733,471</u>
NET FINANCIAL DEBT	<u>(524,777)</u>	<u>(278,465)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>5,118,987</u>	<u>3,936,922</u>
ACCUMULATED SURPLUS	<u>\$ 4,594,210</u>	<u>\$ 3,658,457</u>

ON BEHALF OF THE BOARD

_____ *Mayor*

_____ *Chief Administrative Officer*

VILLAGE OF MYRNAM**Consolidated Statement of Operations and Accumulated Surplus****Year Ended December 31, 2023**

	Budget 2023	Total 2023	Total 2022
REVENUES			
Sales of goods and services	\$ 335,312	\$ 355,653	\$ 341,664
Net municipal taxes	288,351	324,163	294,186
Government transfers for operating	127,561	143,202	85,620
Gain on sale of assets	-	62,000	5,500
Investment income	2,500	18,101	2,769
Penalties and costs of taxes	11,000	12,807	11,533
	<u>764,724</u>	<u>915,926</u>	<u>741,272</u>
EXPENSES			
Roads, street, walks, lighting	613,058	290,895	290,634
Administration	176,259	232,346	196,659
Water supply and distribution	130,667	207,368	150,172
Recreation and culture	115,552	88,298	87,451
Protective services	60,994	56,286	37,890
Legislative	19,154	19,951	16,513
Waste management	19,307	18,534	21,784
Waste water treatment and disposal	11,441	17,971	15,743
Family and community support	8,423	9,661	5,612
	<u>1,154,855</u>	<u>941,310</u>	<u>822,458</u>
DEFICIT FROM OPERATIONS	(390,131)	(25,384)	(81,186)
OTHER INCOME			
Government transfers for capital	1,757,593	961,137	134,639
ANNUAL SURPLUS	1,367,462	935,753	53,453
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>3,658,457</u>	<u>3,658,457</u>	<u>3,605,004</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 5,025,919</u>	<u>\$ 4,594,210</u>	<u>\$ 3,658,457</u>

VILLAGE OF MYRNAM**Consolidated Statement of Changes in Net Financial Assets (Debt)****Year Ended December 31, 2023**

	Budget 2023	2023	2022
ANNUAL SURPLUS	\$ 1,367,462	\$ 935,753	\$ 53,453
Amortization of tangible capital assets	204,531	204,531	156,607
Purchase of tangible capital assets	-	(1,386,596)	(181,717)
Decrease in prepaid expenses	-	-	3,346
	204,531	(1,182,065)	(21,764)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	1,571,993	(246,312)	31,689
NET FINANCIAL DEBT - BEGINNING OF YEAR	(278,465)	(278,465)	(310,154)
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	\$ 1,293,528	\$ (524,777)	\$ (278,465)

VILLAGE OF MYRNAM
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Annual surplus	\$ 935,753	\$ 53,453
Items not affecting cash:		
Amortization of property, plant and equipment	204,531	156,607
Sale of tangible capital asset	<u>(62,000)</u>	<u>(5,500)</u>
	1,078,284	204,560
Changes in non-cash working capital:		
Accounts receivable	(149,478)	30,307
Taxes and grants in place of taxes receivable	34,174	(27,652)
Receivables from other governments	(51,510)	(44)
Land for resale inventory	(7,000)	-
Accounts payable and accrued liabilities	(17,780)	11,632
Deferred income	(136,327)	(11,460)
Prepaid expenses	-	3,346
Funds held in trust	<u>(6,207)</u>	<u>-</u>
	(334,128)	6,129
Cash flow from operating activities	<u>744,156</u>	<u>210,689</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,386,596)	(181,717)
Proceeds on disposal of property, plant and equipment	<u>62,000</u>	<u>5,500</u>
Cash flow used by investing activities	<u>(1,324,596)</u>	<u>(176,217)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	530,000	-
Repayment of long term debt	<u>(15,259)</u>	<u>(13,972)</u>
Cash flow from (used by) financing activities	<u>514,741</u>	<u>(13,972)</u>
INCREASE (DECREASE) IN CASH FLOW	(65,699)	20,500
Cash - beginning of year	<u>281,801</u>	<u>261,301</u>
CASH - END OF YEAR	\$ 216,102	\$ 281,801
CASH CONSISTS OF:		
Cash	\$ 366,102	\$ 281,801
Bank indebtedness	<u>(150,000)</u>	<u>-</u>
	\$ 216,102	\$ 281,801

VILLAGE OF MYRNAM**Consolidated Changes in Accumulated Surplus****(Schedule 1)****Year Ended December 31, 2023**

	Unrestricted Surplus	Equity in Tangible Capital Assets	Total 2023	Total 2022
Balance, beginning of year, as previously stated	\$ (31,824)	\$ 3,690,281	\$ 3,658,457	\$ 3,605,004
Excess of revenues over expenses	935,753	-	935,753	53,453
Current year funds used for tangible capital assets	(1,386,596)	1,386,596	-	-
Current year proceeds on sale of capital assets	(62,000)	62,000	-	-
Amortization of tangible capital assets	204,531	(204,531)	-	-
Long term debt related to tangible capital assets issued	530,000	(530,000)	-	-
Long term debt repaid	(15,259)	15,259	-	-
Balance, end of year	\$ 174,605	\$ 4,419,605	\$ 4,594,210	\$ 3,658,457

VILLAGE OF MYRNAM

Schedule of Tangible Capital Assets

Year Ended December 31, 2023

(Schedule 2)

	Land 2023	Buildings 2023	Engineered Structures 2023	Machiner & Equipment 2023	Vehicles 2023	2023 2023	2022 2022
COST							
BALANCE, BEGINNING OF YEAR	\$ 101,098	\$ 2,529,889	\$ 3,714,361	\$ 216,755	\$ 417,475	\$ 6,979,578	\$ 6,826,664
Acquisition of tangible capital assets	-	36,447	1,089,766	36,463	223,920	1,386,596	181,717
Disposal of tangible capital assets	-	-	-	-	(135,529)	(135,529)	(28,803)
BALANCE, END OF YEAR	\$ 101,098	\$ 2,566,336	\$ 4,804,127	\$ 253,218	\$ 505,866	\$ 8,230,645	\$ 6,979,578
ACCUMULATED AMORTIZATION							
BALANCE, BEGINNING OF YEAR	\$ -	\$ 345,632	\$ 2,171,085	\$ 192,334	\$ 333,605	\$ 3,042,656	\$ 2,914,852
Annual amortization	-	51,431	92,829	15,702	44,569	204,531	156,607
Accumulated amortization on disposals	-	-	-	-	(135,529)	(135,529)	(28,803)
ACCUMULATED AMORTIZATION	-	397,063	2,263,914	208,036	242,645	3,111,658	3,042,656
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 101,098	\$ 2,169,273	\$ 2,540,213	\$ 45,182	\$ 263,221	\$ 5,118,987	\$ 3,936,922

VILLAGE OF MYRNAM
Schedule of Property and Other Taxes
Year Ended December 31, 2023

(Schedule 3)

	Budget 2023	Total 2023	Total 2022
TAXATION			
Residential	\$ 301,909	\$ 337,647	\$ 317,676
Non-residential tax	23,698	23,698	18,117
T2-Res farm tax	10,705	10,705	9,839
Machinery and equipment tax	7,090	7,090	5,386
Farmland	782	856	830
	<u>344,184</u>	<u>379,996</u>	<u>351,848</u>
REQUISITIONS			
Requisition to ASFF	42,191	42,191	44,057
Requisition to Senior Foundation	13,642	13,642	13,605
	<u>55,833</u>	<u>55,833</u>	<u>57,662</u>
NET MUNICIPAL TAXES	<u>\$ 288,351</u>	<u>\$ 324,163</u>	<u>\$ 294,186</u>

VILLAGE OF MYRNAM
Schedule of Government Transfers
Year Ended December 31, 2023

(Schedule 4)

	Budget 2023	Total 2023	Total 2022
TRANSFERS FOR OPERATING			
Provincial grants	\$ 127,561	\$ 113,607	\$ 85,620
Local grants	25,200	54,795	19,700
TRANSFERS FOR OPERATING total	152,761	168,402	105,320
TRANSFERS FOR CAPITAL			
Provincial grants	1,757,593	961,137	134,639
TOTAL GOVERNMENT TRANSFERS	\$ 1,910,354	\$ 1,129,539	\$ 239,959

VILLAGE OF MYRNAM**Schedule of Consolidated Expenses by Object****(Schedule 5)****Year Ended December 31, 2023**

	Budget 2023	Total 2023	Total 2022
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 292,567	\$ 284,714	\$ 285,386
Materials, goods, supplies and utilities	293,329	270,609	266,506
Amortization of tangible capital assets	204,531	204,531	156,607
Contracted and general services	129,146	104,721	92,074
Provisions for allowance	-	40,667	5,629
Interest on long term debt	24,357	32,144	13,742
Bank charges and short term interest	2,525	3,924	2,514
TOTAL	\$ 946,455	\$ 941,310	\$ 822,458

VILLAGE OF MYRNAM
Schedule of Segmented Disclosure
Year Ended December 31, 2023

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning Development	Family Community Support Services	Recreation Culture	2023
REVENUE								
Net municipal taxes	\$ 324,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,163
User fees & sales of goods	78,648	19,630	15,352	210,915	2,650	-	28,458	355,653
Government transfers	143,202	-	-	961,137	-	-	-	1,104,339
Local government transfers	-	-	-	-	-	-	-	-
Penalties and cost of taxes	12,807	-	-	-	-	-	-	12,807
Investment income	18,101	-	-	-	-	-	-	18,101
Sale of capital assets	-	-	62,000	-	-	-	-	62,000
	<u>576,921</u>	<u>19,630</u>	<u>77,352</u>	<u>1,172,052</u>	<u>2,650</u>	<u>-</u>	<u>28,458</u>	<u>1,877,063</u>
EXPENSES								
Salaries & wages	139,930	-	137,585	7,200	-	-	-	284,715
Contract & general services	24,973	27,334	15,988	5,504	-	-	32,430	106,229
Good & supplies	28,189	28,952	84,209	110,601	-	9,661	7,489	269,101
Interest and bank charges	3,922	-	-	20,581	-	-	11,564	36,067
Provision for allowances	40,667	-	-	-	-	-	-	40,667
	<u>237,681</u>	<u>56,286</u>	<u>237,782</u>	<u>143,886</u>	<u>-</u>	<u>9,661</u>	<u>51,483</u>	<u>736,779</u>
NET REVENUE, BEFORE AMORTIZATION	<u>339,240</u>	<u>(36,656)</u>	<u>(160,430)</u>	<u>1,028,166</u>	<u>2,650</u>	<u>(9,661)</u>	<u>(23,025)</u>	<u>1,140,284</u>
Amortization expense	<u>14,616</u>	<u>-</u>	<u>53,113</u>	<u>99,987</u>	<u>-</u>	<u>-</u>	<u>36,815</u>	<u>204,531</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 324,624</u>	<u>\$ (36,656)</u>	<u>\$ (213,543)</u>	<u>\$ 928,179</u>	<u>\$ 2,650</u>	<u>\$ (9,661)</u>	<u>\$ (59,840)</u>	<u>\$ 935,753</u>

VILLAGE OF MYRNAM

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and short term investments

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenditures, and changes in fund balances and in financial position of the reporting entity. This entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the municipality and are, accountable to the town Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may be only used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period that the related expenses are incurred, services performed or the tangible capital assets are acquired.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Requisition overlevy and under-levy

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levy or underlevies of the prior year.

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VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventory

Land held for resale is recorded at the lower of cost or net realized value. Cost includes cost for land acquisitions and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges.

Tax revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

Government transfers

Government transfers are the transfers of assets from senior levels of government that are not the result of exchange transactions, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not indented for sale in the normal course of operations. The change in non-financial assets during the year, together with excess of revenues over expenses, provided the consolidated Change in Net Financial Assets (Debt) for the year.

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VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost less residual value, of the tangible capital asset is amortized on a straight line basis over the estimate useful life as follows:

Buildings	50 years	straight-line method
Portable Buildings	25 years	straight-line method
Vehicles	10 years	straight-line method
Machinery and equipment	10 years	straight-line method
Roads	30 years	straight-line method
Water system	40 - 75 years	straight-line method
Wastewater system	40 - 75 years	straight-line method

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

1. **Contribution of Tangible Capital Assets** - Tangible capital assets received as contributions are recorded at the date of receipt and also are recorded as revenue.
 2. **Leases** - Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risk incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and related lease payments are charged to expenses as incurred.
 3. **Inventories** - Inventories held for consumption are recorded at lower of cost and replacement cost.
 4. **Cultural and Historical Tangible Capital Assets** - Works of art for display are not recorded as tangible capital assets but are disclosed.
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2. GOING CONCERN

Over the past few years, the Village has reduced its spending and has increased its revenues from various sources despite a significant decrease in funding from the County and increasing costs from provincial policing and inflation. The Village has caught up on addressing long-overdue tax arrears, however will continue to work on clearing up bad debts over a couple of years. Additionally, the Village has built a new reservoir to replace a potentially dangerous situation, demonstrating proactive infrastructure management. Furthermore, the Village has optimized its operations by increasingly conducting work in-house, reducing reliance on external contractors.

Despite challenges such as funding cuts and rising costs, the Village remains committed to fiscal responsibility and sustainability. With the successful elimination of the accumulated deficit, the Village is poised for financial health. Moving forward, the Village will continue to explore opportunities to increase revenues and reduce costs, ensuring long-term viability and prosperity.

VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

3. CASH

Included in cash is a restricted amount of \$2,962 (2022 - \$9,169) comprises of \$2,962 (2022 - \$9,169) of funds held in trust.

	<u>2023</u>	<u>2022</u>
Cash	\$ 366,102	\$ 281,801

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2023</u>	<u>2022</u>
Current	\$ 46,478	\$ 56,054
Arrears	40,846	65,444
	\$ 87,324	\$ 121,498

5. BANK INDEBTEDNESS

	<u>2023</u>	<u>2022</u>
Bank indebtedness	\$ 150,000	\$ -

6. DEFERRED REVENUE

Deferred revenue is comprised of the funds noted below, the use of which are externally restricted. The funds are recognized as revenue in the period they are used for in the purpose specified.

	<u>2023</u>	<u>2022</u>
Canada Community Building Fund	\$ 45,371	\$ -
MSI Capital	62,253	243,951
	\$ 107,624	\$ 243,951

Funding from various grant programs, organizations and individuals, remained unspent at the end of the current year. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements or as indicated by the donors.

7. LONG TERM DEBT

	<u>2023</u>	<u>2022</u>
Alberta Capital Finance Authority loan bearing interest at 3.127% per annum, repayable in semi-annual blended payments of \$6,793. The loan matures on June 15, 2045.	\$ 211,506	\$ 218,318

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VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

7. LONG TERM DEBT *(continued)*

	<u>2023</u>	<u>2022</u>
Servus Credit Union loan bearing interest at 5.95% per annum, repayable in annual blended payments of \$14,127. The loan matures on August 1, 2027. This loan was refinanced in the year.	188,940	195,364
Treasury Board loan bearing interest at 5.21% per annum, repayable in semi-annual blended payments of \$15,829. The loan matures on June 15, 2063.	527,977	-
	928,423	413,682
Amounts payable within one year	(17,947)	(13,720)
	\$ 910,476	\$ 399,962

Principal repayment terms are approximately:

2024	\$ 17,947
2025	18,821
2026	19,708
2027	20,640
2028	21,594
Thereafter	829,713
	<u>\$ 928,423</u>

Interest paid on long term debt was \$32,144 (2022 - \$13,742) equal to actual cash payments.

VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

8. DEBTS LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village of Myrnam be disclosed as follows:

	<u>2023</u>	<u>2022</u>
Total debt Limit	\$ 1,373,889	\$ 1,111,911
Total debt	<u>(928,423)</u>	<u>(413,682)</u>
	\$ 445,466	\$ 698,229
Debt servicing limit	\$ 226,689	\$ 185,319
Debt servicing	<u>(17,947)</u>	<u>(13,720)</u>
Amount of debt servicing limit unused	\$ 208,742	\$ 171,599

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

9. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designtated officers as required by Alberta Regulation 313/2000 is as follows

	Salary	Benefits & Allowance	<u>2023</u>	<u>2022</u>
Mayor: Rudolf	\$ 8,001	\$ -	\$ 8,001	\$ 7,601
Councillor: Yaremchuk	5,850	-	5,850	4,650
Councillor: Ewanec	4,700	-	4,700	2,600
Administrator: Kiziak	60,283	4,586	64,869	62,406
Total	<u>\$ 78,834</u>	<u>\$ 4,586</u>	\$ 83,420	\$ 77,257

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

If an automobile is provided, no amount is included in the benefits and allowances figure

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances, club memberships and employer portion of source deductions.

VILLAGE OF MYRNAM

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

10. SEGMENTED DISCLOSURE

The Village of Myrnam provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amount that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6)

11. COMMITMENTS AND SUBSEQUENT EVENTS

The village of Myrnam was working on restoring its reservoir, which had a cost about \$1 million. To fund this project, in the prior year the village was approved a matching grant of up to \$800,000 from the federal CWWF (Canadian Water Wastewater Fund) for the construction of the new reservoir. Funds totalling \$163,419 was received subsequent to the year end.

12. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash, accounts receivables, line of credit, accounts payable, accrued liabilities, funds held in trust, obligations under capital lease and long term debt. It is management's opinion that the Village is not exposed to significant interest or currency risk arising from these financial instruments.

The Village is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the village provides services may experience financial difficulty and be unable to fulfil their obligation. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the fair value of these financial instruments approximates their carrying value.

13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and Management.
